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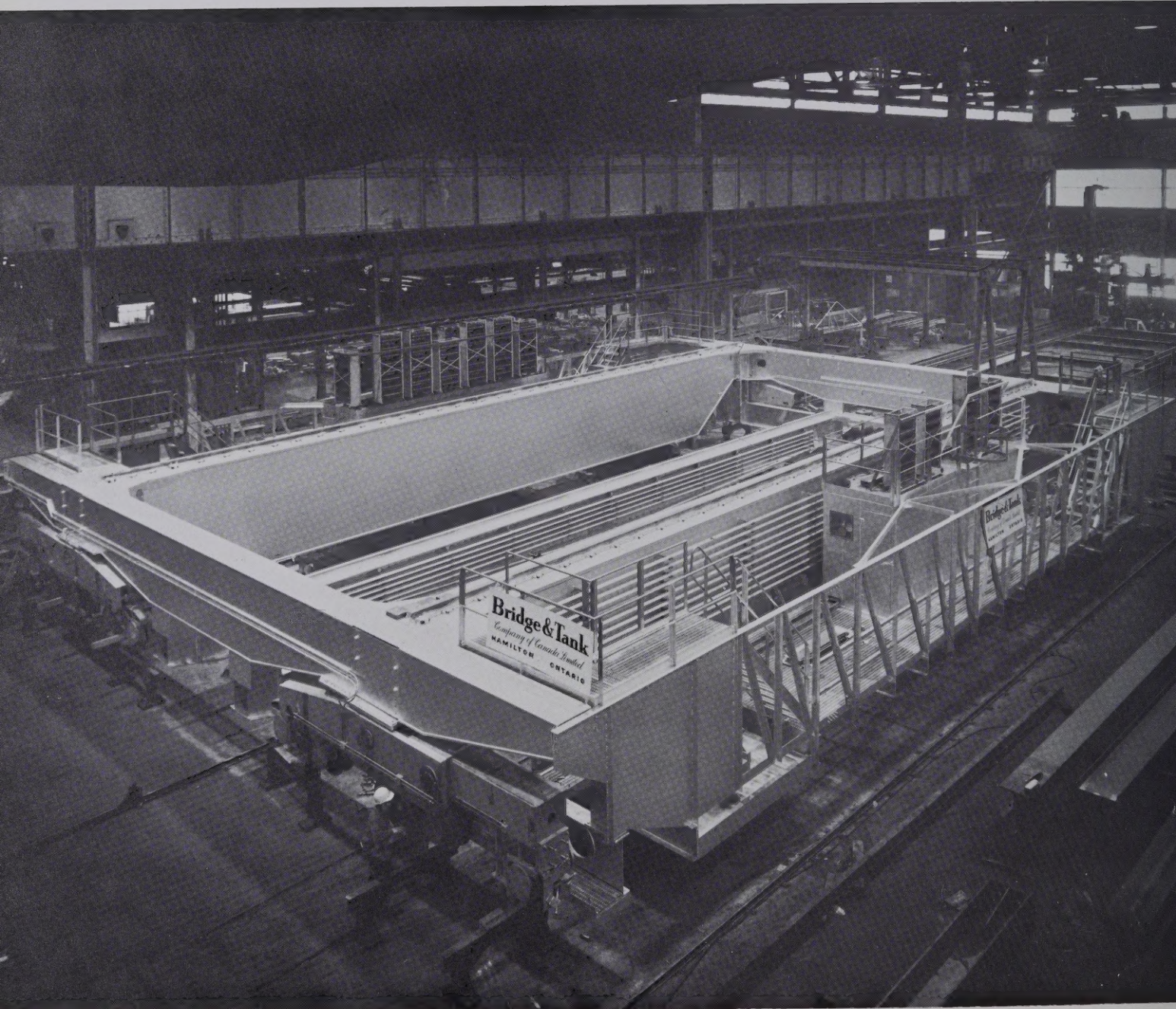
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**Bridge & Tank** Company of Canada Limited • Annual Report 1970







Four girder bridge for 250/25 ton hot metal ladle crane being assembled in the Hamilton plant.



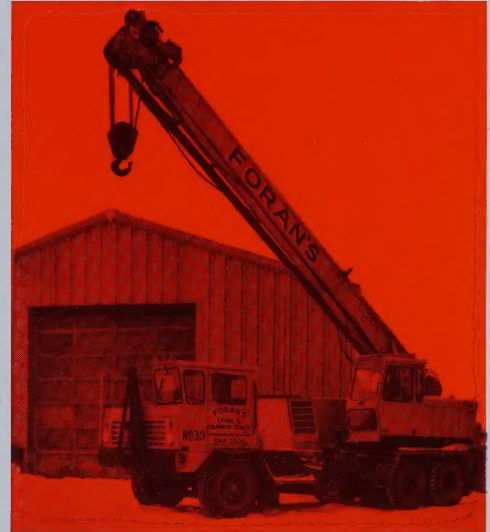


#### **DIRECTORS**

Marsh A. Cooper *Toronto*  
 J. A. Durfey *Hamilton*  
 J. H. Gairdner *Toronto*  
 J. S. Gairdner *Toronto*  
 Dr. R. L. Hearn *Toronto*  
 Dr. W. F. James *Toronto*  
 V. G. Lamont *Hamilton*  
 Harry B. Martin *Toronto*  
 D. A. McIntosh *Toronto*  
 W. B. Nicol *Hamilton*  
 W. J. R. Paton *Montreal*  
 H. I. Price *Toronto*  
 Trumbull Warren *Hamilton*

#### **OFFICERS**

Trumbull Warren *Chairman of the Board*  
 W. B. Nicol *President*  
 J. A. Durfey *Executive Vice-President and Treasurer*  
 V. G. Lamont *Vice-President — Sales*  
 A. L. Allen *Secretary*



An 18 ton hydraulic truck crane, latest addition to Foran's fleet of 5 ton to 140 ton capacity machines — wheeled and crawler, conventional and hydraulic — providing a complete range for all industrial needs.

#### **OPERATING UNITS**

HAMILTON BRIDGE DIVISION  
 HAMILTON  
 W.B. Nicol *General Manager*

BRIDGE & TANK WESTERN LTD.  
 WINNIPEG  
 A. Fraser MacDonald *General Manager*

FORD-SMITH MACHINE COMPANY LIMITED  
 HAMILTON  
 D. Giglia *General Manager*

FORD-SMITH COMPAGNIE LIMITEE  
 MONTREAL

D. Giglia *General Manager*  
 B. A. Dawson *Branch Manager*

FORAN'S CRANE & EQUIPMENT  
 SERVICE LIMITED  
 HAMILTON  
 James Foran *General Manager*

#### **TRANSFER AGENTS**

ROYAL TRUST COMPANY

#### **ADMINISTRATIVE OFFICES**

390 Gage Avenue North, Hamilton, Ontario

On behalf of the Board of Directors I submit herewith the audited Consolidated Balance Sheet of your Company for the fiscal year ended December 31, 1970, and the Consolidated Statements of Earnings, Retained Earnings and Source and Application of Funds for the fiscal year ending on the same date.

Consolidated sales for 1970 amounted to \$16,312,170 compared with \$18,368,547 in 1969 but the latter figure includes the sales for 11 months of a subsidiary which has since been sold.

The Statement of Earnings for the year shows Consolidated Net Earnings of \$461,864, or 35¢ per common share, after provision for taxes on income and recovery of income taxes through application of prior years' losses. The earnings before income taxes and extraordinary items amounted to \$393,164 compared with a loss of \$98,545 in 1969. This represents an improvement of \$491,709.

All divisions achieved a profit in 1970. The working capital as of December 31, 1970 was \$2,754,000 compared with \$2,622,184 on December 31, 1969.

Compared to 1969 our labour conditions were relatively stable since none of our union agreements expired during 1970 and this contributed in no small measure to the substantial improvement in operating results.

The combined sales backlog as of December 31, 1970 amounted to \$20,949,228 as compared with \$13,754,716 at the 1969 year end. The 1970 figure, however, includes a contract with a value in excess of \$10,000,000 with Ontario Hydro for a duplication of the present thermal generating station at Nanticoke. We will complete the present contract in the next few months and the extended contract has a duration of approximately 2-1/2 years. Despite the depressed market for our products in Central and Western Canada, Bridge & Tank Western Ltd. in Winnipeg showed a very encouraging improvement in operations which contributed substantially to our consolidated profit.

Foran's Crane & Equipment Service Limited, despite a slow start, picked up very sharply in the latter part of the year and completed the year with a substantial profit. Operations of Ford-Smith Machine Company





Limited and Ford-Smith Compagnie Limitee have also improved and efforts are continuing to add to the products presently handled by these companies.

In the field of anti-pollution your Management has given priority to the only known problem we have in our operations, namely, smoke emission from our heating system in the Hamilton plant. This heating system is presently actuated by a high pressure coal fired boiler resulting in smoke emission which at times goes beyond the acceptable level as defined in The Air Pollution Control Act, 1967 of the Province of Ontario. On the recommendation of Management your directors have authorized the necessary expenditure to replace this heating system with one which will eliminate this problem.

Going into 1971 we have the basis of a healthy backlog in the long term Ontario Hydro contract and several substantial mechanical contracts. The structural steel market is currently depressed but we expect an improvement in this sector prior to mid-year. Production of our non-structural products is continuing at a satisfactory volume

and the prospects for the balance of the year are promising.

After reviewing the operating results for 1970 your directors authorized a resumption of dividend payments on the Preference Shares, which payments were suspended in September 1968. It is the intention of the directors to continue such payments and hopefully to pay some of the arrears of dividends which have accumulated, provided the company's earnings and working capital justify such action.

The Board of Directors wishes to express its appreciation to the officers and employees of the Company for their conscientious efforts during the past year.

Submitted on behalf of the Board of Directors.

W. B. Nicol, *President.*

February 18, 1971.

# Bridge & Tank Company of Canada Limited and Subsidiary Companies

ASSETS	1970	1969
<b>CURRENT ASSETS:</b>		
Cash .....	\$ 21,311	\$ 8,593
Accounts and notes receivable .....	3,339,666	3,759,383
Inventories, valued at the lower of cost or net realizable value .....	6,705,797	4,887,264
Marketable securities at cost, available for contract and other deposits (1970, market value \$338,520) .....	423,693	228,442
Contract and other deposits .....	716	196,095
Prepaid expenses .....	40,152	36,860
<b>TOTAL CURRENT ASSETS .....</b>	<b>10,531,335</b>	<b>9,116,637</b>
Mortgage receivable .....	56,639	64,220
Funds provided for the purchase of preference shares (note 5) .....	100,000	100,000
Investments, at cost (note 1):		
Preference shares .....	250,000	250,000
Notes receivable .....	125,000	—
	<u>375,000</u>	<u>250,000</u>
<b>Fixed assets, less accumulated depreciation (note 2):</b>		
Buildings, machinery and equipment .....	9,585,742	9,490,306
Less accumulated depreciation .....	6,132,079	5,924,808
	<u>3,453,663</u>	<u>3,565,498</u>
Land .....	252,961	252,961
	<u>3,706,624</u>	<u>3,818,459</u>
Deferred income taxes (note 8) .....	100,000	—
Excess of cost of investment in a wholly-owned subsidiary over underlying net book value at date of acquisition .....	216,845	216,845
Financing and organization expenses, less amounts written off .....	23,518	28,966
	<u><u>\$15,109,961</u></u>	<u><u>\$13,595,127</u></u>

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Bridge & Tank Company of Canada Limited and subsidiary companies as of December 31, 1970 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination of the financial statements of Bridge & Tank Company of Canada Limited and those subsidiaries of which we are the auditors included a general review of the accounting proce-



# Consolidated Balance Sheet, December 31, 1970 with comparative figures for 1969

LIABILITIES AND SHAREHOLDERS' EQUITY	1970	1969
<b>CURRENT LIABILITIES:</b>		
Bank indebtedness, secured (note 3) . . . . .	\$ 1,596,446	\$ 1,627,864
Accounts payable and accrued charges . . . . .	1,691,450	1,855,465
Lien notes . . . . .	—	85,686
Advance billings on uncompleted contracts . . . . .	4,249,060	2,742,139
Income taxes payable . . . . .	6,850	—
Other taxes payable . . . . .	<u>233,529</u>	<u>183,299</u>
<b>TOTAL CURRENT LIABILITIES</b> . . . . .	<b>7,777,335</b>	<b>6,494,453</b>
Deferred income taxes . . . . .	—	115,000
Long term debt (note 4) . . . . .	535,500	764,500
Shareholders' equity:		
Capital stock (note 5):		
32,017, \$2.90 Sinking Fund Preference shares, par value \$50 each . . . . .	1,600,850	1,600,850
1,043,694 Common shares of no par value . . . . .	<u>1,815,166</u>	<u>1,815,166</u>
	3,416,016	3,416,016
Amount arising from appraisals of fixed assets . . . . .	762,212	762,212
Retained earnings (note 6) . . . . .	<u>2,618,898</u>	<u>2,042,946</u>
	<u>6,797,126</u>	<u>6,221,174</u>
Contingent liabilities and commitments (note 7)		
On behalf of the Board:		
Trumbull Warren <i>Director</i>		
W. B. Nicol <i>Director</i>		
 (See accompanying notes to consolidated financial statements)	<u><u>\$15,109,961</u></u>	<u><u>\$13,595,127</u></u>

dures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of the auditors who have examined the financial statements of the other subsidiary.

In our opinion, subject to the realizable value of the investments referred to in note 1 to the consolidated financial statements, these consolidated financial statements present fairly the financial

position of the company and subsidiary companies at December 31, 1970 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.  
Chartered Accountants  
Hamilton, Ontario      February 12, 1971



Churchill Forest Industries, The Pas, Manitoba. An inside view of part of 1,000 tons of steel supplied and erected by Bridge & Tank Western Ltd., for the recausticizing and pulping group structures.

**CONSOLIDATED STATEMENT OF EARNINGS**  
**YEAR ENDED DECEMBER 31, 1970 WITH COMPARATIVE FIGURES FOR 1969**

	1970	1969
Sales .....	\$16,312,170	\$18,368,547
Costs, including selling and administrative expenses .....	15,289,271	17,492,691
Depreciation .....	348,332	522,106
Direct remuneration of directors and senior officers .....	155,863	173,748
	<u>15,793,466</u>	<u>18,188,545</u>
Operating profit .....	518,704	180,002
Other income:		
Income from sundry investments .....	29,007	34,675
Profit on disposal of fixed assets .....	8,099	3,384
Discount on redemption of first mortgage bonds .....	10,960	10,085
	<u>48,066</u>	<u>48,144</u>
	566,770	228,146
Income deductions:		
Interest on long term debt and financing expenses .....	39,327	66,537
Other interest .....	134,279	260,154
	<u>173,606</u>	<u>326,691</u>
Earnings (loss) before taxes on income, minority interest and extraordinary items .....	393,164	(98,545)
Taxes on income:		
Current .....	286,000	135,010
Less deferred .....	<u>77,700</u>	<u>—</u>
	208,300	135,010
Earnings (loss) before minority interest and extraordinary items .....	<u>184,864</u>	<u>(233,555)</u>
Minority interest in profit of a subsidiary .....	—	57,853
Earnings (loss) before extraordinary items .....	<u>184,864</u>	<u>(291,408)</u>
Extraordinary items:		
Reduction of taxes on income through the application of prior years' losses .....	277,000	—
Profit on sale of plant, net of applicable deferred taxes on income \$115,000 .....	—	87,686
Profit on disposal of investment in subsidiary .....	—	345,642
	<u>277,000</u>	<u>433,328</u>
Net earnings for the year .....	<u>\$ 461,864</u>	<u>\$ 141,920</u>
Earnings per common share:		
Before extraordinary items .....	\$ .09	\$ —
Net earnings for the year .....	<u>.35</u>	<u>.05</u>

**CONSOLIDATED STATEMENT OF RETAINED EARNINGS**  
**YEAR ENDED DECEMBER 31, 1970 WITH COMPARATIVE FIGURES FOR 1969**

	1970	1969
Amount at beginning of year:		
As previously reported .....	\$ 2,042,946	\$ 1,612,793
Add:		
Deferred tax charges not previously provided for in the accounts (note 8) .....	137,300	137,300
Less adjustments of prior years' sales taxes .....	<u>—</u>	<u>47,808</u>
	137,300	89,492
As restated .....	<u>2,180,246</u>	<u>1,702,285</u>
Net earnings for the year .....	461,864	141,920
Transfer from amount arising from appraisals of fixed assets .....	—	336,041
	<u>2,642,110</u>	<u>2,180,246</u>
Dividends on preference shares .....	23,212	—
Amount at end of year .....	<u>\$ 2,618,898</u>	<u>\$ 2,180,246</u>

(See accompanying notes to consolidated financial statements)



**CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS**  
**YEAR ENDED DECEMBER 31, 1970 WITH COMPARATIVE FIGURES FOR 1969**

	<u>1970</u>	<u>1969</u>
Funds provided:		
From operations:		
Net earnings for the year . . . . .	\$461,864	\$ 141,920
Add (deduct) non-cash items:		
Depreciation . . . . .	348,332	522,106
Miscellaneous . . . . .	5,448	2,065
Profit on sale of fixed assets . . . . .	(8,099)	(87,686)
Deferred taxes . . . . .	<u>(77,700)</u>	<u>—</u>
Funds provided from operations . . . . .	729,845	578,405
Fixed assets of subsidiary at date of disposal . . . . .	—	877,428
Proceeds from sale of fixed assets . . . . .	20,122	659,537
Reduction of investments and advances . . . . .	—	50,000
Miscellaneous items . . . . .	<u>7,581</u>	<u>43,794</u>
Total funds provided . . . . .	<u>757,548</u>	<u>2,209,164</u>
Funds used:		
Purchase of fixed assets . . . . .	248,520	169,403
Increase in investments and advances . . . . .	125,000	—
Reduction of long term debt . . . . .	229,000	269,614
Reduction of minority interest in equity of subsidiary . . . . .	—	987,910
Reduction of possible claims under product guarantees . . . . .	—	122,768
Dividends on preference shares . . . . .	23,212	—
Miscellaneous items . . . . .	<u>—</u>	<u>47,808</u>
Total funds used . . . . .	<u>625,732</u>	<u>1,597,503</u>
Increase in working capital . . . . .	<u><u>\$131,816</u></u>	<u><u>\$ 611,661</u></u>

*(See accompanying notes to consolidated financial statements)*



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 1970**

- (1) Currently the companies whose preference shares and notes are held are suffering operating losses which are reducing their working capital to a substantial degree. Consequently, it is uncertain at this time whether or not there is any realizable value.

- (2) Fixed assets are stated as follows:

Buildings, machinery and equipment:	
On the basis of an appraisal report by Stone & Webster Engineering Corporation, dated January 29, 1954, with subsequent additions at cost, less accumulated depreciation \$3,061,329.....	\$2,358,409
At cost, less accumulated depreciation \$2,982,150.....	1,059,380
At values determined by the Board of Directors of a subsidiary company, as of August 31, 1955, with subsequent additions at cost, less accumulated depreciation \$88,600.....	35,874
	<u>\$3,453,663</u>

Land:

On the basis of an appraisal report by Lounsbury & Lounsbury Ltd., dated January 18, 1954.....	\$ 117,600
At cost.....	135,361
	<u>\$ 252,961</u>

- (3) The bank indebtedness is secured by a general assignment of book debts, inventories under Section 88 of the Bank Act, marketable securities and other investments, and a floating charge on other assets.

- (4) The long term debt is made up as follows:

Bridge & Tank Company of Canada Limited:	
5-1/4% First Mortgage Sinking Fund Bonds Series A due March 1, 1974	\$2,500,000
Less redeemed and cancelled.....	1,964,500
	<u>\$ 535,500</u>

The trust deed securing the bonds requires payments in cash or in Sinking Fund Bonds to the Trustee of not less than:

By March 1, 1971.....	\$ 167,028
By March 1, 1972.....	175,796
By March 1, 1973.....	185,036
By March 1, 1974.....	193,906
	<u>721,766</u>

Less excess requirements met at December 31, 1970.....	186,266
	<u>\$ 535,500</u>

- (5) Capital Stock:

(a)	Shares	Amount
Authorized:		
Preference shares, par value \$50 each.....	192,467	\$9,623,3
Less redeemed to date	450	22,5
Authorized for issuance.....	192,017	\$9,600,8
Common shares of no par value.....	3,000,000	\$ —
Issued:		
\$2.90 Sinking Fund Preference shares....	32,467	\$1,623,3
Less redeemed to date	450	22,5
Issued and outstanding.....	32,017	\$1,600,8
Common shares issued and outstanding.....	1,043,694	\$1,815,1

- (b) The issued preference shares are non-participating and carry a fixed cumulative dividend of \$2.90 per share per annum. The shares are redeemable at \$51 per share.

- (c) Under the terms of the sinking fund provision in respect of the issued preference shares, the company has set aside \$100,000 in cash to be used for the purchase of preference shares on cancellation.

- (6) Dividend arrears on the \$2.90 Sinking Fund Preference shares are \$8.70 per share or \$278,540. In addition, under the provisions of the Deed of Trust and Mortgage securing the First Mortgage Bonds, restrictions are placed on the payment of dividends on common shares unless certain conditions are met. Because of these restrictions \$430,300 of retained earnings at December 31, 1970 is not available for the payment of dividends on common shares.

- (7) Contingent liabilities and commitments:

- (a) Bank loans to one of the companies referred to in note 1 are guaranteed up to a maximum of \$100,000.

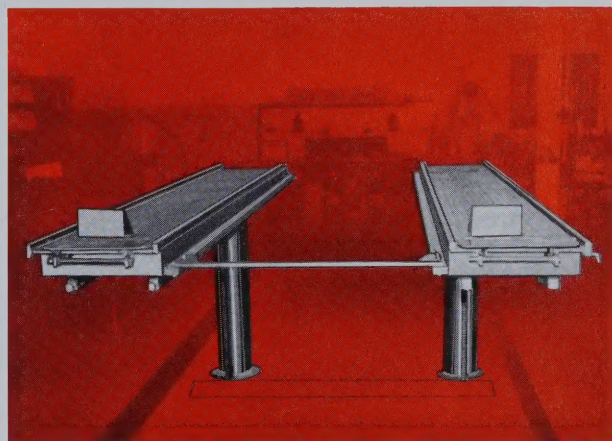
- (b) The liability for past service costs under the companies' pension plans remaining to be accrued is approximately \$676,100 at December 31, 1970 based on actuarial studies made as at December 31, 1969. This amount is being amortized in the amount of \$58,200, including interest, annually to December 31, 1974 and thereafter in the amount of \$55,900, including interest, to December 31, 1989.

- (8) The tax allocation deductions accumulated prior to the current year amounting to \$137,300 (after a reduction of \$122,500 in respect of income tax reassessments and other adjustments applicable to prior years) have been recorded as a credit to retained earnings and have been included in "Deferred income taxes" in the accompanying balance sheet.





Ford-Smith Product Design: The Twin Post Hoist Model FWA-28 manufactured for special application, i.e. Automobile Wheel Alignment Equipment.



#### HAMILTON BRIDGE DIVISION

OFFICES AND PLANT:  
390 Gage Avenue North,  
Hamilton, Ontario.

PARTIAL LIST OF PRODUCTS:  
Bridges, Tank and Plate Work, Structural Steel,  
Long Span Joists, Bins, Storage Tanks, Alliance Cranes,  
Custom Machine Shop Services.

WAREHOUSE STEEL DIVISION:  
Beams, Channels, Angles, Plates, Floor Plates,  
Round and Flat Bars.

#### BRECO AERIAL TRAMWAY DIVISION

Aerial Tramways, Chair Lifts, Aerial Cableways.

#### BRIDGE & TANK WESTERN LTD.

OFFICE:  
Sutherland and Maple Street,  
Winnipeg, Manitoba

PLANT:  
Gateway Rd. and Vulcan Ave.,  
North Kildonan, Manitoba.

PARTIAL LIST OF PRODUCTS:  
Structural Steel and Bridge Fabrication, General Plate  
Fabrication, Conveying and Material Handling Equipment,  
Miscellaneous Iron, Grain Handling Equipment  
and Custom Machine Work.

#### FORD-SMITH MACHINE COMPANY LIMITED

OFFICE AND PLANT:  
390 Gage Avenue North, Hamilton, Ontario.

PARTIAL LIST OF PRODUCTS:  
Grinding and Polishing Machines, "Universal" Automotive  
and Industrial Lifting Equipment, Fontaine Fifth Wheels,  
Dump Truck Vibrators.

#### FORD-SMITH COMPAGNIE LIMITEE

9340 Charles de Latour St.,  
Montreal 11, P.Q.

#### FORAN'S CRANE & EQUIPMENT SERVICE LIMITED

449 Woodward Ave., Hamilton, Ontario.

Provides a complete crane rental service.  
Equipment ranges from 5 ton to 140 ton capacity,  
on wheeled and crawler machines.  
Services include steel and cement hoisting,  
machinery moving.





The Ontario Hydro's Generating Station at Nanticoke, on Lake Erie. The total contract awarded to Bridge & Tank, Hamilton Bridge Division, is for the supply, fabrication, and erection of 35,000 tons of structural steel, for completion in 1973. Approximately 12,000 tons of structural steel had been erected when this photograph was taken in the Fall of 1970.

*(Photo, courtesy of Ontario Hydro)*

